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Subject: **REVIEW OF PROPOSAL EVALUATION PROCESS FOR PEDESTRIAN
ROUTE MAPPING PROGRAM FOR TRAFFIC AND PEDERSTRIAN
SAFETY**

As requested by the Third Supervisorial District, we have reviewed the proposal evaluation process related to the Pedestrian Route Mapping Program for Traffic and Pedestrian Safety contract initiated by the Department of Public Works (DPW or Department). Specifically, we reviewed: (1) the Request for Proposal (RFP) to determine if it provided an adequate explanation of the proposal evaluation process, including the evaluation criteria; (2) the proposal evaluation instruments to determine if they were consistent with the RFP requirements and provided an objective basis for evaluating team member scoring; and (3) the composition of the evaluation team and the processes it used in scoring the proposals to determine if they were fair, reasonable and consistent. We also reviewed the issues noted in the complaint received by the Third District and the methods used by the Department to advertise the solicitation.

As part of our review, we interviewed staff from the Department's Architectural Engineering Division and reviewed documents related to the RFP process, including the completed evaluation rating instruments. We also interviewed members of the evaluation committee.

Review Summary

We noted a number of areas where the contracting process could have been conducted in a more objective, accurate, and documented manner. These areas include the RFP disclosures, the proposal evaluations process, and the evaluation scoring. Because of the significance of the problems noted, we cannot support awarding the contract based on the evaluation that has been performed. We recommend the proposals be

reevaluated with a new evaluation committee using the evaluation process described in the RFP.

These and other findings noted during our review are discussed in detail below.

Background

In July 2001, the Department issued a RFP seeking a qualified firm to provide a Pedestrian Route Mapping Program for traffic and pedestrian safety for a one-year term. The Department received six written proposals that met the minimum criteria outlined in the RFP. Two staff from the Department's Mapping and Property Division and Traffic and Lighting Division, one staff from the Los Angeles Unified School District (LAUSD) and one staff from the Los Angeles County Office of Education (LACOE) evaluated the six written proposals. Four proposals received a passing score of 350 or more (out of 400 total points) and qualified for the oral presentation phase of the evaluation process.

A team of four individuals, two from DPW, one from LAUSD, and one from LACOE evaluated the oral interviews. Three of the committee members that evaluated the written proposals also evaluated the oral presentation. The Department selected the firm that received the highest ranking based on their oral presentation. The Department is awaiting results of our review prior to recommending a firm for the Board of Supervisors' approval.

Request for Proposal

The RFP identified minimum qualifications that the written proposals must meet before the proposals would be evaluated. The RFP also identified the criteria that would be used to evaluate the written proposals. However, we noted several areas where the RFP can be improved to better inform the potential proposers on the proposal evaluation process and to make the process more objective. Specifically:

- The actual proposal evaluation was a two-stage process, but the RFP described a one-stage evaluation process. According to the RFP, the written proposals that met the minimum qualifications would be evaluated and the highest rated proposal would be recommended for the Board of Supervisors' approval. However, the Department expanded the proposal evaluations to a two-stage process after the written proposals had been evaluated.
- The RFP listed the key criteria in which potential proposers are evaluated. However, it did not identify the weights of importance (or relative percentages) for each criterion.
- The RFP did not require proposers to provide all the necessary documentation (e.g., certifications, licenses, etc.) to ensure that qualified staff are assigned to the project. We noted that after the evaluation process was completed, and

negotiations with the highest rated firm had begun, the Department discovered that the firm's traffic engineer did not possess a valid California engineering license and was not qualified. Therefore, DPW should not have evaluated the firm's proposal.

- The RFP did not provide a formal appeals process in which firms could challenge their bid evaluation score and/or the evaluation process. One proposer did challenge their score and the Department assigned a member from its Architectural Engineering Division to review the challenge and render a conclusion. Based on the reviewer's assessment of the challenge, the challenge was denied.

For future solicitations, the RFP needs to disclose the complete evaluation process, including the number of stages involved and their relative importance in the selection of a winning proposal; the evaluation criteria with each criterion's weight of importance; and the minimum score necessary for proposals to pass each stage. If the Department is uncertain on the number of stages that will be used to evaluate the proposals, the RFP should still disclose that additional evaluations stages may be used. Also, the required minimum qualifications noted in the RFP need to be expanded to require proposers to provide enough documentation to ensure qualified staff are assigned to the project.

Finally, the Department needs to provide a more structured appeals process in the RFP. Typically, RFPs issued by County departments include procedures for proposers to follow when appealing their scores and/or the evaluation process. These procedures include specific deadlines for proposers to submit their appeals in writing and a review of the appeals by a committee comprised of individuals not otherwise involved in the proposal evaluation process. The Department notifies proposers of the final evaluation results after the appeals process is completed.

Recommendations

The Department:

- 1. Expand the RFP to disclose the complete evaluation process, including the number of stages involved and their relative importance in the selection of a winning proposal, the evaluation criteria including each criterion's weight of importance and the minimum score necessary for proposals to pass each stage.**
- 2. Expand the RFP to require proposers to provide enough documentation (e.g., certifications, licenses, etc.) to ensure qualified staff are assigned to the project.**
- 3. Provide a more structured appeals process and disclose it in the RFP.**

Bid Evaluation Process

In evaluating bid proposals, County departments usually follow the following processes. The initial step involves organizing an evaluation committee comprised of individuals responsible for reviewing and scoring each proposal. To assist the evaluation committee in scoring the proposals, County departments develop an evaluation instrument that identifies key objective evaluation criteria and numerical weights to identify important factors. The evaluation instrument also allows adequate space for the evaluators to write comments to document their individual proposal scoring. After each committee member has evaluated the proposals, the committee meets to discuss their individual scores and, wherever possible, resolve significant scoring differences.

Evaluation Committee

The evaluation process included two committees. One committee evaluated the written proposals and the second committee evaluated the oral presentations. Each committee was comprised of two DPW staff, one individual from LAUSD and one individual from LACOE. These individuals were knowledgeable of the technical requirements of the RFP and were well qualified to participate on the committees. Three committee members that evaluated the oral presentations also evaluated the written proposals. Each committee member independently scored the written proposals and/or oral presentations.

Our review disclosed that the Department's bid evaluation committee did not always follow standard County bid evaluation practices. Specifically:

- After evaluating the written proposals, the evaluation committee decided to expand the evaluation process to include oral presentations. In addition, the evaluation committee decided that written proposals needed to receive a score of 350 points (out of a total of 400 points) in order to participate in the oral presentations. The committee selected 350 points as the qualifying score because some committee members were interested in observing a presentation of a particular firm whose written proposal had scored 354. We noted another firm scored almost the identical score (346) on its written proposal, but was not asked to participate in the oral presentation. These thresholds should have been decided before opening the proposals.
- Although the evaluation committee members came together as a group to discuss their individual scores and attempted to resolve significant differences in their scoring, it appears that the Department's facilitation efforts were not effective and that the evaluation committee members did not resolve differences in scoring or explain their rationale for large scoring discrepancies.

As a result of the committee members' inability to resolve significant scoring differences, most proposals had a wide range in the individual scores they received from the committee members. For example, five of the six written

proposals had individual evaluator scores with differences of 17 to 44 points (based on 100-point score) between their lowest and the highest individual scores. Also, three of the four oral presentations had individual scores with differences of 22 to 26 points (based on 100-point score) between the lowest and highest individual scores.

Significant differences in evaluator scores could suggest that the evaluation committee members did not fully understand the scoring process, or the information contained in the proposal or both. If evaluators had resolved scoring differences, the final proposal scores would likely be different. For example, one firm did not qualify for the oral presentation by four points although this firm had a 25 point differential in scores that was not reconciled.

Table 1 below summarizes the scoring variances noted in our review.

Table 1
Department of Public Works
Pedestrian Route Mapping Program
Proposal Evaluation Scores

Firm	Written Proposals			Oral Presentation		
	Min	Max	Diff	Min	Max	Diff
Civic Technology	83	100	17	86	91	5
MRF Geosystems	82	100	18	69	95	26
Psomas	83	93	10	70	92	22
Wildan	61	100	39	65	87	22
Absolute Internet	75	100	25			
Katz, Okitsu,& Assoc.	51	95	44			

- In order to allow evaluation committee members anonymity, the Department had assigned each evaluator an identification number to be placed on the evaluation instrument in lieu of their names. However, the Department did not maintain a listing that identified each evaluator's assigned number and the evaluation committee members could not remember their identification numbers. As a result, we were unable to match the completed evaluation instruments to the evaluators in order to assess the existence of possible bias in the evaluators' scores.

In order to improve the integrity of the proposal evaluation process, the Department needs to ensure that the evaluation committee follows the evaluation process identified in the RFP. The Department also needs to ensure that the evaluation committee members attempt to resolve any significant differences between their scoring and explain any unresolved differences. Finally, the Department needs to maintain a listing that matches the completed evaluation instruments to the evaluators.

Recommendations**The Department:**

- 4. Ensure the evaluation committee follows the evaluation process identified in the RFP.**
- 5. Ensure evaluation committee members attempt to resolve any significant differences between their scoring and explain any unresolved differences.**
- 6. Maintain a listing that matches the completed evaluation instruments to the evaluators.**

Proposal Evaluation Instruments

Separate evaluation instruments were used to evaluate the written proposals and oral presentations. The evaluations for both the written proposals and oral presentations were each based on a 100-point scale. The instrument used for the written proposals evaluated the firm's qualifications and experience (50%), standard services and work plan (35%), and general quality and responsiveness of the overall proposal (15%). The Department did not weight cost in retaining these types of services in accordance with Government Code sections 4526-4529, which allows the Department to negotiate cost with the winning proposer, after selection.

The instrument used for the oral presentations evaluated each firm's ability to demonstrate their technical skills through a visual presentation (40%) and their response to questions from the evaluation committee members on the firm's qualifications and work experience (60%).

In general, the evaluation instruments used to evaluate the written proposals and oral presentations assigned specific and relevant criteria that agreed to the requirements of the RFP. Also, the instruments provided the evaluators with the weights of importance for each criterion. In addition, both instruments included adequate space for evaluators to comment on their scores.

Evaluation Scoring

We evaluated the process used to rank the written proposals and oral presentations to ensure the processes were fair, reasonable, and consistent. We also reviewed the mathematical accuracy of the scores assigned to each of the six written proposals and the four oral presentations.

We noted that the process used to rank the oral presentations was significantly different than the process used to rank the written proposals for the oral interviews. The written proposals were ranked based on an accumulated total of the scores they received from each evaluator. The oral presentation rankings were based on each evaluators ranking

of the presentation in relation to the other three presentations. The Department assigned ranking points to each presentation based on the number of 1st, 2nd, 3rd, and 4th place rankings each presentation received from the evaluators. MRF Geosystems received the highest ranking in the oral presentations and was selected by the Department for Board approval. However, Civic Technologies received the highest cumulative score in both the written proposals and the oral presentations and would have been selected if the cumulative score methodology was considered. If there are wide variances in scores that are not reconciled, as we noted in this RFP, the use of the ranking methodology can result in the selection of a proposer that did not have the highest cumulative score.

Table 2 below summarizes the cumulative scores each written proposal and oral presentation received and the ranking the Department assigned the oral presentations.

Table 2
Department of Public Works
Rating Scores
(Out of 400 cumulative points)

Firms	Written Proposals	Oral Presentations		
	Cumulative Score	Cumulative Score	Ranking Points	DPW Ranking
Civic Technologies	371	353	9	2
MRF Geosystems	362	349	8	1
Wildan	355	305	14	4
Psomas	354	328	9	3
Absolute Internet	346			
Katz, Okitsu & Assoc.	314			

Source: DPW Pedestrian Route Mapping Program evaluation written proposal and oral presentation evaluation instruments. Note: Two of the six firms' written proposals did not receive enough points to qualify the proposals for the oral presentations phase in the evaluation process.

The Department did not disclose its scoring methodology in the RFP. In the absence of this disclosure, any change in the methodology could be construed as a means to achieve a desired outcome rather than a fair evaluation. The Department should disclose its scoring methodology in the RFP.

We noted no errors in the Department's mathematical calculations to determine the scores assigned to each of the six written proposals and the four oral presentations.

Recommendation

7. The Department disclose the scoring methodology in the RFP.

Contractor Qualifications

One of the losing firms complained about the qualifications of the firm selected for the contract. The complainant alleges that the Department selected a firm that did not have a qualified traffic engineer. As previously discussed, the Department did not require proposers to provide copies of licenses to ensure qualified staff were assigned to the project. If the Department had required proposers to provide licenses, it would have noted that the traffic engineer included in the selected firm's written proposal was not licensed in the State of California and disqualified the firm.

Solicitation Outreach Efforts

The efforts by the Department to notify potential proposers of the RFP for the Pedestrian Route Mapping Program appear adequate and included advertising on the Department's and Los Angeles County's Small Business websites, notifying firms that had previously expressed interest in submitting proposals on the Department's projects and firms that were recommended by the Department's project management. The outreach effort resulted in 23 firms requesting the RFP and six firms submitting proposals.

Conclusion

Overall, the Department did not administer the evaluation process consistent with the RFP. The Department did not disclose that the bid evaluation process would consist of a two-phase process, which required proposers to obtain a minimum of 350 points on their written proposal to qualify for the second phase. Further, the evaluation committee was unable to resolve significant differences in scores and also arbitrarily determined the score necessary to qualify for the oral presentation phase. Finally, the "ranking" methodology the Department used in scoring the interviews was inconsistent with the cumulative scoring methodology it used to rank the written proposals. This change could be construed as a means to achieve a desired outcome rather than a fair evaluation, particularly since it was not disclosed in the RFP.

For these reasons, the Department should constitute a new evaluation committee of four members to re-evaluate the written proposals that meet the minimum RFP requirements. The Department should recommend to the Board of Supervisors awarding the contract to the highest scoring written proposal as disclosed in the RFP.

Acknowledgement

We would like to thank the Department's management and staff for their cooperation during our review. On February 25, 2002, we met with DPW management and staff to discuss our findings and recommendations. Overall, the Department recognizes the need for improvement and indicated its commitment to improve processes used in future solicitations. The Department will also provide a written response to our report to the Board within 30 days.

If you have any questions, please contact me at (213) 974-8301, or your staff may contact DeWitt Roberts at (213) 974-0301.

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